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Industrial Development Board

Fifteenth session
Vienna, 6-10 May 1996
Item 9 of the provisional agenda

INDUSTRIALIZATION OF THE LEAST DEVELOPED COUNTRIES

Implementation of the least developed countries programme

Progress report by the Director-General

Summary

Reports on activities approved or under implementation in the least developed countries during the period 1 September 1995 to 31 March 1996.

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Abbreviations

CAFRAD	African Training and Research Centre in Administration for Development
CFC	chlorofluorocarbon
COMESA	Common Market for Eastern and Southern Africa
FDI	foreign direct investment
IDDA	Industrial Development Decade for Africa
IFAD	International Fund for Agricultural Development
ILO	International Labour Organisation
IPS	Investment Promotion Service
LDC	least developed country
NGO	non-governmental organization
NISP	National Industrial Statistics Programme
SADC	Southern African Development Community
SME	small and medium enterprise
UCD	UNIDO Country Director
UND	UNIDO National Director
UNDP	United Nations Development Programme

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Introduction

1. The Third Ministerial Symposium on the Industrialization of the Least Developed Countries, held in Vienna from 30 November to 8 December 1995, adopted detailed conclusions and recommendations on the industrialization of the least developed countries (LDCs). In its resolution GC.6/Res.8, the General Conference took note of those conclusions and recommendations, which are contained in annex I to the resolution. In the operative paragraphs of the resolution, the priority accorded by Member States to the industrialization of the LDCs is reflected. The present document is submitted in compliance with paragraph 3 (c) of the resolution, in which the Director-General is requested to give full support to the activities of the LDC programme and to provide progress reports on its implementation.

I. PRIORITY AREAS

2. The present report updates and supplements information provided in previous reports on the subject, the most recent of which was contained in document GC.6/20 dated 22 September 1995. It therefore covers only activities and projects that were approved and those for which implementation commenced during the period 1 September 1995 to 31 March 1996 in the following cross- and subsectoral priority areas.

A. Support to capacity-building

3. It is widely recognized that the reason for the limited flow of foreign direct investment (FDI) to and mobilization of local financial resources in the LDCs lies, *inter alia*, in the lack of the requisite institutional infrastructure to establish an enabling environment for increased investment in the industrial sector. For that reason UNIDO accords high priority to programmes and projects aimed at assisting the LDCs in building up their national capacities. For instance, in cooperation with ILO and the International Trade Centre UNCTAD/GATT, UNIDO is implementing a project in Malawi to assist the Ministry of Industry in formulating a national trade and industry policy.

4. A project in Yemen aimed at developing free zones will support the Government in creating a conducive environment for investment promotion. It is planned to strengthen the capacity of the Yemen Free Zone Public Authority, in particular the administration of the Aden Free Zone, and to establish an export processing zone in Aden.

5. In Cambodia, a UNIDO project is focused on the development of industrial estates/zones and on the introduction of the UNIDO National Industrial Statistics Programme (NISP). The industrial estates/zones project is geared towards providing advisory services to the Government in the formulation of requisite legislation and regulations for the development of industrial estates/zones. Through the NISP project, UNIDO will install a fully computerized industrial information system, including the equipment and training to: (a) collect industrial statistics in line with international standards; (b) validate and check this data for consistency; and (c) process the data to meaningful economic indicators, suitable for use as a basis for industrial policy-making.

B. Investment promotion

6. As a further attempt to support the LDCs in attracting foreign investment and mobilizing local resources, UNIDO is pursuing integrated programmes through its specific investment promotion activities which include also the organization of international investors forums in or for the concerned LDC(s). In this context UNIDO organized, as a major part of a regional investment programme, an investment forum for four selected Member States of COMESA (Eritrea, Ethiopia, Kenya and Uganda, three of which are LDCs) from 28 November to 1 December 1995 at Kampala, Uganda. A total of 77 investment projects in the three LDCs were promoted with potential foreign investors.

7. In response to the requests made during the mission of the Director-General to South Africa in October 1995, UNIDO formulated an investment promotion programme for selected SADC countries (Lesotho, Mozambique, South Africa, Swaziland and Zimbabwe, of which two are LDCs). The programme will support the efforts of the selected countries through, *inter alia*, organization of an investment forum to mobilize investment resources. Subject to approval of the programme under IDDA resources, the forum is planned to be held at Johannesburg, South Africa, in November 1996.

8. In the United Republic of Tanzania, an investment promotion programme for the mainland has been developed for funding under UNDP resources. The programme aims at strengthening capacity within the Ministry of Industry, the Investment Promotion Centre and other private and public sector institutions to enable them to identify, formulate and promote investment projects. The programme includes an investment forum to take place at Dar-es-Salaam in November 1996.

9. As a follow-up to the UNDP/UNIDO investment forum for Zanzibar in April 1995, a large-scale investment programme has been approved under UNDP resources. It aims at strengthening investment and export promotion institutions, such as the Zanzibar Investment Promotion Agency and Zanzibar Free Economic Authority, to enable them to assist and guide local as well as foreign investors. The programme also features

a specific training component on environment and a specific emphasis on the gender dimension.

10. As a follow-up to the first round table of African investment promotion centres which was organized by UNIDO at Bulawayo, Zimbabwe (September 1992), a second round table is proposed for September 1996 at Johannesburg. The purpose is to bring together investment promotion agencies or equivalent institutions from a large number of African countries with the existing network of the UNIDO IPS offices in order to adopt a uniform system for the identification, formulation and screening of investment projects. It will also review various aspects of integrating the local investment promotion agencies with UNIDO Headquarters and IPS offices. Of 33 countries to be invited, 19 are West, Central, South and East African LDCs.

C. Human resources development, including women entrepreneurs

11. Training programmes with emphasis on women entrepreneurs continued to receive high priority. UNIDO is currently implementing a project jointly with IFAD on food processing for rural women in Burkina Faso and Mali, under which 26 multi-functional platforms are already installed in both countries. The platforms consist of a diesel engine for power generation as well as additional equipment such as welding machines, straw cutters, battery chargers and water pumps. The services provided to the community through the renting of this equipment allow a more rational use of energy generated by the engine and ensure a higher income sufficient to repay loans and credits. A follow-up proposal to the ongoing project has been submitted to IFAD for consideration. The proposed follow-up project aims at establishing local capacities through further training of all actors (women, NGOs, artisans) to ensure the sustainability of the ongoing pilot phase. A letter of agreement covering this proposed cooperation between UNIDO and IFAD is being finalized.

12. Under the preparatory phase of the training programme for women entrepreneurs in the food-processing sector in Gambia, two study tours for Gambian women entrepreneurs were carried out in India and Israel in November and December 1995. At the same time a draft proposal for the implementation phase was formulated and submitted for consideration by local authorities and the UNDP field office in Gambia. In addition, a mission was carried out in November 1995 to assess the impact of previous UNIDO training programmes in the field of fruit and vegetable processing industries and to identify new training needs in that country.

13. Within the ongoing regional training programme for women entrepreneurs in the food-processing sector in Africa, a needs assessment mission was launched in February 1996 to Comoros and Madagascar. The objective was to determine the training needs of women entrepreneurs in that sector as well as to assess the training institutions in those countries. A large-scale project proposal is being finalized, based on the mission's findings and recommendations.

14. Based on a survey undertaken in selected African countries (Burkina Faso, Côte d'Ivoire, Eritrea, Ethiopia, Kenya, Madagascar, Morocco, Malawi, Senegal, United Republic of Tanzania and Zimbabwe, of which six are LDCs), UNIDO formulated a high impact programme for women's entrepreneurship development. The programme aims at alleviating gender-specific imbalances that have a negative impact on women's performance as well as creating an enabling environment for the improvement and growth of women's industrial enterprises. The first step of the programme for four African countries (including Burkina Faso) is currently under preparation.

15. An additional needs assessment mission was fielded to Ethiopia in November 1995. While focusing on the agro-industries sector, the mission took a wider approach to women's entrepreneurship development in this subsector and prepared a broader integrated programme including several components that cover, *inter alia*, training needs of women entrepreneurs, quality improvement and capacity-building in food processing.

16. Action has been initiated to launch a preparatory mission to Praia, Cape Verde, with a view to discussing with the Government the UNIDO concept for establishment of linkages between industry and higher education. Furthermore, the mission will explore the possibility of establishing an institutional support system consisting of liaison units between suppliers of technology and entrepreneurs, particularly women, in small enterprises.

17. Pursuant to General Conference resolution GC.6/Res.4 (para. (d)), a draft project proposal has been prepared for IDDA financing to strengthen the institutional capacity of the African Training and Research Centre in Administration for Development (CAFRAD). This project will support CAFRAD in organizing training programmes for entrepreneurs and consultants in French-speaking LDCs in agro-industrial SME management.

D. Industrial development in rural areas and small- and medium-scale enterprises

18. Acknowledging the pivotal role of the informal sector, micro, small and medium enterprises in LDCs, and in line with UNIDO thematic priorities, high priority was given to the development and implementation of specific programmes for strengthening SMEs and rural

industries in those countries. A component of a larger private sector development programme in Zambia is being implemented with UNIDO assistance in support of micro- and small enterprises at the village level. This component aims at improving growth prospects of such enterprises through programmes on business and skill development for male and female entrepreneurs. It further aims at establishing a support network for training, advisory services and micro loans.

19. Technical cooperation was provided in Togo through cross-sectoral UNDP-funded projects, supporting the Government in promoting and coordinating foreign aid relating to development of rural industrial programmes and poverty alleviation.

20. Advice is being provided to Bhutan on the development potential of the building materials industry. The project assists the Government and private sector entrepreneurs in deciding on investment programmes and in developing support projects related to the production of construction and building materials for the local construction industry.

21. In the context of the feasibility study carried out by UNIDO on creation and operation of a national tissuthèque and the development of traditional textile industry in West African LDCs, a manual is under preparation that will serve as a detailed reference for micro-entrepreneurs for the development of that industry. In addition, a promotional publication on the traditional textile industry in West African LDCs has been prepared for publication in the near future.

E. Private sector development

22. In line with the recommendations of the Third Ministerial Symposium and taking into account the increasingly important role of a dynamic private sector for industrial development, the LDCs were supported in their private sector development policies and strategies. Two programmes to strengthen private sector industry were initiated in Benin and Yemen. In Benin, UNIDO is implementing, in association with ILO, a national programme that covers several components, such as the development of women entrepreneurs, establishment of an information system, as well as development of free zones. The support programme in Yemen aims at assisting the Government in the design of a privatization strategy with particular emphasis on an action-oriented pilot programme to privatize selected public enterprises. Enterprises will be selected on the basis of their impact on the economy of the country, their likelihood of success in a market-oriented environment and their overall viability. Special consideration will be given to the development of a social safety net aimed at mitigating the potential negative social impact of privatization, strengthening the institutional framework and proposing training needs for employees, managers and administrators who will be expected to perform within a market economy environment.

23. For the Government of Ethiopia, a programme is being implemented for private sector development in the area of leather footwear manufacturing. This programme aims at improving the quality of products of selected footwear manufacturing private enterprises, thereby enhancing the export earnings of the country.

24. In Mozambique, UNIDO is implementing a project on private sector industrial development that is geared towards reviewing the legal framework of government policies and strategies related to the development of the private sector. Analysis of recent reports and ongoing programmes and projects executed by national and foreign institutions is also included in the project, which is expected to yield a survey of recently privatized industrial enterprises and an analysis of technological and marketing problems. The project document was formulated in consultation with the Government, business associations, interested donors, the World Bank and other entities.

25. In Sierra Leone, a consultative mechanism is being introduced in the private sector that aims at developing interactive industrial policy and strategy formulation. The UNIDO project will result in a proposed institutional and operational framework based on identified sectoral priorities.

F. Environment and energy

26. A total of six projects that address specifically this UNIDO thematic priority are being carried out in Ethiopia, Mozambique, Sudan and the United Republic of Tanzania. These projects focus mainly on pollution control, sustainability and cleaner technology. The phasing out of chlorofluorcarbons (CFCs) is a key subject in these projects. In Mozambique, UNIDO will review government environment policies and strategies that are aimed at achieving pro-active and cost-effective environment management.

II. FUTURE OUTLOOK

27. In order to ensure that industrialization of the least developed countries receives fundamental priority among various UNIDO programmes in future, new approaches and special initiatives will be developed. These will aim, *inter alia*, at: improving production capabilities of LDCs in selected industrial subsectors; building up institutional capacities to enhance FDI flows and mobilization of local resources; and initiating human resources development programmes with special emphasis on women entrepreneurs. These initiatives and special programmes are being elaborated for the 1996-1997 biennium within

the framework of the seven thematic priorities identified in document GC.6/30.

28. Within thematic priority 7, which deals exclusively with African and least developed countries, particular attention will be given to promoting further the industrialization of LDCs through a more focused UNIDO programme on linkages between industry and agriculture. In this context emphasis will be placed, *inter alia*, on activities related to the agro-industrial production system in a number of critical areas.

29. The first step in that direction has already been taken through elaboration of a high impact programme on application of quality principles to the food-processing sector in seven sub-Saharan countries in East and South Africa (Ethiopia, Kenya, Malawi, Mozambique, Uganda, Zambia, Zimbabwe, of which five are LDCs). The programme will have as an immediate objective the rapid and measurable improvement of food safety at the enterprise level. The programme will use new methodologies to ensure both sustainable increases in enterprise performance and greater synergy between local counterparts and food processors.

30. On the basis of and complementary to this high impact programme, a preparatory assistance project has been formulated that aims at food safety in West African as well as Asian LDCs. Subject to its approval, this preparatory assistance will lead to the elaboration of detailed technical cooperation programmes to build up local and regional capacity for technical support to enterprises willing to improve their quality and productivity in food processing.

31. Based on case studies in seven LDCs in West, Central and East Africa, UNIDO developed a high impact programme introducing new technologies for abatement of global mercury pollution. The objective is to replace mercury amalgamation with new technology while improving miners' income through more efficient recovery. The programme also includes policy advice on the regulation of artisanal gold mining, with due consideration of gender issues.

32. In order to ensure sustainability of UNIDO special programmes at the field level, every effort will be made to maintain and strengthen the existing field coverage in LDCs. At present eight LDCs are covered by a UCD or UND with offices in those countries, 28 by visiting UCDs from other duty stations and 12 from Headquarters. In response to General Conference resolution GC.6/Res.3 and subject to availability of resources, it is intended to expand LDC field coverage within the UCD programme.

33. Another ministerial symposium is planned to review proposed UNIDO programmes for LDCs and to make recommendations for submission to the seventh session of the General Conference. The Symposium will be arranged in conjunction with the seventh session of the Conference in December 1997.

III. ACTION REQUIRED OF THE BOARD

34. The Board may wish to take note of the information contained in the present document.

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MATTERS RELATED TO INTERGOVERNMENTAL, NON-GOVERNMENTAL, GOVERNMENTAL AND OTHER ORGANIZATIONS

UNIDO cooperation with non-governmental organizations and applications from non-governmental organizations for consultative status

Note by the Director-General

Summary

Reports on UNIDO cooperation with non-governmental organizations and provides information on the following four non-governmental organizations applying for consultative status with UNIDO: Austrian Senior Experts Pool (ASEP), International Network for Environmental Management (INEM), International Technology Information Center (InterTec) and Nimtech.

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Introduction

1. Non-governmental organizations (NGOs) are playing an increasingly important role in the decision-making process at the international, regional and national levels. Their role as agents for development and change is fully recognized by UNIDO, which is in the process of expanding its cooperation with various types of NGOs in the industrial sector in developed and developing countries, as well as in countries with economies in transition.

2. UNIDO cooperation with NGOs is an interdivisional activity and concerns all priority areas of UNIDO. Sustainable industrial development was the subject chosen as the first step in strengthening cooperation with professional, business and environmental NGOs and led to the holding of the NGO Forum on Cleaner Industrial Production in Vienna from 30 November to 1 December 1995.[1] The recommendations of the Forum were presented to the sixth session of the General Conference and resulted in the adoption of two resolutions: GC.6/Res.7 on environmentally sustainable industrial development: cleaner industrial production, and GC.6/Res.16 on matters related to non-governmental organizations.

I. UNIDO COOPERATION WITH NON-GOVERNMENTAL ORGANIZATIONS

3. In accordance with General Conference resolution GC.6/Res.16, UNIDO is strengthening its cooperation with international, regional and national NGOs in developing and developed countries as well as in countries with economies in transition.

4. The network of NGOs is being expanded according to UNIDO priority areas and to this end a database on NGOs active in the industrial field is being compiled to identify the best possible partners in the respective areas. NGOs working with UNIDO include international and national associations active in the industrial sector, chambers of commerce and industry, trade unions, organizations working in the field of cooperatives, federations of consultants and engineers, associations of small- and medium-scale industries, associations of financial institutions, universities, technology centres, and research and development institutes and foundations. They also include other industry-related organizations, such as consumer unions, technical associations and those working in fields such as standardization, energy, environment, industrial information and the role of women in industrial development.

5. Cooperation with NGOs emphasizes partnerships with NGOs acting as counterparts and focal points for UNIDO projects in developing countries and countries with economies in transition. UNIDO also draws on the services of experts and consultants identified by NGOs and their members for its projects, particularly for projects responding to direct requests from public or private industries in such countries. NGOs contribute experts to UNIDO meetings on specific sectors of industry as well as in the context of workshops and training programmes, and host meetings organized with UNIDO.

6. Joint projects with NGOs cover a wide range of industrial activities. Recent activities included those with the Arab Iron and Steel Union (AISU) in metallurgical industries, with the World Assembly of Small and Medium Enterprises (WASME) in small and medium industry development and with the International Network for Environmental Management (INEM) and the World Association of Industrial and Technological Research Organizations (WAITRO) in environment and energy. UNIDO also cooperated with the International Federation of Business and Professional Women (IFBPW) in a panel discussion at the NGO Forum at Beijing during the Fourth World Conference on Women. As regards investment promotion, UNIDO has co-operated with the Forum Francophone des Affaires in identifying industrial investment projects. Furthermore, with respect to human resources development, UNIDO is developing projects with the Institute of Higher Management (ISG) and is cooperating with the International Union of Technical Associations and Organizations (UATI) in the preparation of the World Congress of Engineering Education and Industry Leaders to be held in Paris from 5 to 6 July 1996 organized by the United Nations Educational, Scientific and Cultural Organization, UNIDO, UATI and another NGO, the World Federation of Engineering Organizations.

Planned activities

Environment and energy

7. Several meetings with NGOs are planned to take place at the national level to create awareness among various actors of our society and to contribute to ecological industrial development. The meetings will be open to representatives from the public and private sectors, including enterprises, financial institutions,

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[1] A summary of the discussions and the final recommendations are contained in the report of the Forum (ID/WG.544/5).

universities, research centres, national and international NGOs as well as international organizations.

8. In April 1996, a follow-up meeting to the NGO Forum on Cleaner Industrial Production will be hosted by the Institute of Higher Management, an NGO in consultative status with UNIDO, at the premises in Paris. The meeting will highlight the recommendations of the Forum with particular emphasis on the expansion of the UNIDO National Cleaner Production Centres and transfer of technology. Details will be provided concerning the development of a UNIDO information system on cleaner industrial production which could be made available to small and medium industries in developing and industrialized countries.

9. Plans are being made to hold a joint meeting in June 1996, at Greater Manchester, United Kingdom, which will be hosted by Nimtech, a non-governmental organization applying for consultative status with UNIDO. At the meeting, practical approaches to implementing the cleaner industrial production concept will be examined, and promoting pollution prevention systems rather than pollution correction technologies (end-of-pipe solutions) will be discussed. The meeting will also serve to establish contacts between firms from developing countries that have already carried out waste minimization audits and have identified profitable cleaner technology investments and firms from industrialized countries that could provide the required technologies and financial resources.

10. Within the context of the thirtieth anniversary of UNIDO, a number of activities on selected subjects are foreseen with Austrian NGOs, industries, universities and research institutions. As regards environment and energy, a follow-up meeting to the NGO Forum on Cleaner Industrial Production is planned, with a view to creating greater awareness of UNIDO activities in cleaner industrial production among Austrian industries, particularly in small- and medium-sized enterprises.

11. A further follow-up to the NGO Forum is the compilation of a directory of NGOs involved in environmentally-sound industrial activities. The directory will focus on principal objectives, areas of experience and training capacities of NGOs. It will also serve as a basis for future networking with NGOs in the implementation of the Forum recommendations.

12. Following the successful UNIDO-funded participation of two business and industry NGOs from Africa and Latin America in the workshop on consultative mechanisms for NGO participation in the Climate Convention held in Geneva on 2 March 1996, UNIDO proposes to strengthen its cooperation with business and industry NGOs concerned with the climate issue. Within the context of the UNIDO energy programme, this cooperation would support the dual role of UNIDO as a worldwide forum for promoting industrial development and for providing technical cooperation services, by establishing useful contacts with major energy-producing and -consuming industries.

Human resources development

13. Linkages between universities and industries will be the topic of a meeting planned for October 1996 with the participation of Austrian NGOs, universities and representatives from the industrial sector. As part of the 30th anniversary celebrations, the meeting will highlight the wide experience of UNIDO in human resources development for industry and will build on the outcome of the World Congress of Engineering Educators and Industry Leaders to be held in Paris in July 1996.

14. With regard to human resources development and training, data on NGO training capabilities and needs will be available through GLOBE-IN (Global Learning Opportunities in Business Education cum Industry), a relational database system being developed by UNIDO.

Industrial information

15. A further activity within the context of the 30th anniversary will take place during the Congress on Globalization of Information organized by an international NGO, the International Federation of Information and Documentation, which will be held at Graz, Austria, from 20 to 25 October 1996. At that time, UNIDO will co-organize a special session on business and industrial information in a globally networked society.

NGO global forum

16. In General Conference resolution GC.6/Res.16, the Director-General is requested to organize, as appropriate, forums for non-governmental organizations on selected priority areas of UNIDO. In that respect, a global NGO forum will be held from 27 to 28 November 1997, immediately prior to the seventh session of the General Conference. Under the theme "industries for the 21st century", NGO inputs at the planning stages of programme development will be facilitated. At the meeting, the new role of UNIDO as a global forum will be highlighted and various perceptions of the role of industrial development in the next century will be reviewed. Identification of specific areas where NGOs could collaborate with or complement UNIDO technical cooperation projects is expected to be an outcome of the forum.

II. APPLICATIONS FROM NON-GOVERNMENTAL ORGANIZATIONS FOR CONSULTATIVE STATUS WITH UNIDO

17. In accordance with Article 19.1 (b) of the Constitution of UNIDO and the Guidelines for the Relationship of UNIDO with intergovernmental, governmental, non-governmental and other organizations (decision GC.1/Dec.41), in particular paragraph 17 of the annex thereto, information on four international non-governmental organizations (NGOs) seeking consultative status with UNIDO is circulated to the members of the Board in the annex to the present document. More detailed information on each NGO is available with the Secretariat.

18. Paragraph 17 of the annex to the Guidelines stipulates that the Board shall establish appropriate procedures for reviewing applications from NGOs for consultative status. To facilitate and accelerate its work, the Board may wish to follow the practice established at previous sessions and request the Bureau of the Board to review the applications of, and information on, the four NGOs annexed to the present document and to submit its recommendations to the Board for consideration at its current session.

Annex

NON-GOVERNMENTAL ORGANIZATIONS APPLYING FOR CONSULTATIVE STATUS

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AUSTRIAN SENIOR EXPERTS POOL (ASEP) 5

INTERNATIONAL NETWORK FOR ENVIRONMENTAL MANAGEMENT (INEM) 5

INTERNATIONAL TECHNOLOGY INFORMATION CENTER (INTERTEC) 6

NIMTECH 7

The designations employed and the presentation of the material in the present document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries.

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AUSTRIAN SENIOR EXPERTS POOL (ASEP)

Historical background

Established in 1989 in Vienna, Austria, with the objective of improving the industrial structure of developing countries by lending the expertise and know-how of retired business executives to enterprises in those countries.

Statutes

Available.

Structure of governing bodies and administration

Board
President and Chairman of the Board

Activities related to the work of UNIDO

(a) Lending expertise to enterprises in developing countries with respect to research, development and production, quality management and control, finance, organization and administration, marketing and sales;

(b) Carrying out seminars, training courses and lecture programmes;

(c) Providing analytical and operational consulting by analysis, reviewing and suggestions.

Relations with the United Nations and other IGOs

Has applied for consultative status with the International Trade Centre UNCTAD/GATT and plans to cooperate with UNISTAR via the European Senior Services Consortium.

Relations with NGOs

Close contacts with other members of the European Senior Services Consortium; associated with the World Bank Group.

Documentation concerning international character of membership

Not applicable.

Membership

170 retired senior managers.

Address of headquarters

Haus der Industrie
Schwarzenbergplatz 4
A-1031 Vienna
Austria

Tel.: (43-1) 71135-2423
Fax: (43-1) 71135-2425

INTERNATIONAL NETWORK FOR ENVIRONMENTAL MANAGEMENT (INEM)

Historical background

Established in February 1991 in Germany by three environmental management associations in Austria, Germany and Sweden with the objective of developing and promoting environmental management and cleaner technologies.

Statutes

Available.

Structure of governing bodies and administration

General Members' Meeting
Main Secretariat
Board of Directors

Activities related to the work of UNIDO

(a) Promoting and encouraging the dissemination and application of principles and methods of environmental management, including cleaner production and cleaner technologies, rather than end-of-pipe approaches;

(b) Assisting small- and medium-sized enterprises and the private sector in developing countries and countries in transition in minimizing the environmental impact of industrial operations;

(c) Identifying and promoting partnerships between enterprises, local authorities and academic and research institutions.

Relations with the United Nations and other IGOs

United Nations Commission on Sustainable Development, United Nations Conference on Trade and Development, United Nations Environment Programme, United Nations Development Programme, Organisation for Economic Co-operation and Development, European Bank for Reconstruction and Development, International Finance Corporation, Global Environment Facility.

Relations with NGOs

International Council of Local Environmental Initiative, International Organization for Standardization, International Association for Cereal Science and Technology, ECO-Counselling Europe, Carl Duisberg Gesellschaft.

Documentation confirming international character of membership

Available.

Membership

34 members or affiliated associations in 29 countries on all five continents.

Address of headquarters

Bahnhofstrasse 36
D-22880 Wedel (Holstein)
Germany

Tel.: (49-4103) 84019
Fax: (49-4103) 13699
E-mail: inem.head@applelink.com

INTERNATIONAL TECHNOLOGY INFORMATION CENTER (INTERTEC)

Historical background

Established in July 1992 in Vienna, Austria, with the objective of promoting the exchange of technological, scientific, commercial and industrial information between the Russian Federation and other countries, and carrying out investment projects on the basis of innovative applied technologies from the Russian Federation and Commonwealth of Independent States.

Statutes

Available.

Structure of governing bodies and administration

General Assembly
Executive Board
Directors

Activities related to the work of UNIDO

(a) Promoting and coordinating the exchange of technologies between the Russian Federation and other countries;

(b) Providing up-to-date information and database records on technologies available in the Russian Federation and CIS;

(c) Promoting and encouraging opportunities, including investment projects and partnership/joint ventures, between the Russian Federation and developing countries;

(d) Promoting and encouraging the exchange of ideas, information and technologies through the Internet and World Wide Web;

(e) Organizing colloquiums, seminars and conferences.

Relations with IGOs and NGOs

Relationships established with more than 200 private and public, national and international IGOs and NGOs in 24 countries.

Documentation confirming international character of membership

Available.

Membership

Chambers of commerce, industries, institutes and research centres in many countries.

Address of headquarters

International Technology Information Center
Brahmsplatz 8/3
A-1040 Vienna
Austria

Tel.: (43-1) 5044091
Fax: (43-1) 5044094

NIMTECH

Historical background

Established in north-west England in 1986, this independent network of industrial and academic organizations specializes in technology transfer activities. It promotes the use of new and improved technology and the commercial development of links between universities and industry. In recent years the network expanded its links to a growing number of developing countries.

Statutes

Available.

Structure of governing bodies and administration

Chairman
Participants' Council
Board
Committees

Activities related to the work of UNIDO

(a) Promoting the development of technical cooperation projects in industrial investment and technology;

(b) Promoting and assisting the conclusion of industrial investment and technology projects between firms in the United Kingdom and in developing countries and countries with economies in transition;

(c) Encouraging the dissemination of information related to investment and technology by organizing meetings, seminars, workshops and exhibitions;

(d) Providing project management support to fulfil the implementation of technology and investment programmes.

Relations with the United Nations and other IGOs

European Union.

Relations with NGOs

United Kingdom regional technology centres and research and technology organizations, as well as relations with 63 NGOs world-wide.

Membership

Industrial firms, universities and research institutes in the United Kingdom.

Address of headquarters

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Borough Road
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MATTERS RELATED TO INTERGOVERNMENTAL, NON-GOVERNMENTAL, GOVERNMENTAL AND OTHER ORGANIZATIONS

UNIDO cooperation with non-governmental organizations and applications from non-governmental organizations for consultative status

Note by the Director-General

Addendum

1. Since the publication of document IDB.15/11, one further application from a non-governmental organization (NGO) for consultative status in accordance with Article 19.1 (b) of the Constitution of UNIDO has been received. Information on that organization—Environmental Development Action in the Third World (ENDA)—is circulated to the Board in the annex to the present document. More detailed information on the organization is available with the Secretariat.

2. Paragraph 17 of the annex to the guidelines for the relationship of UNIDO with intergovernmental, governmental, non-governmental and other organizations (decision GC.1/Dec.41) stipulates that the Board shall establish appropriate procedures for reviewing applications from NGOs for consultative status. To facilitate and accelerate its work, the Board may wish to follow the practice established at previous sessions and request the Bureau of the Board to review the information on ENDA that is annexed to the present document and to submit its recommendations to the Board for consideration at its current session.

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Annex

ENVIRONMENTAL DEVELOPMENT ACTION IN THE THIRD WORLD (ENDA)

Historical background

Established in 1978 at Dakar, Senegal, with the objective of promoting economic, ecological and social development in developing countries, mainly in Africa, Asia and Latin America and the Caribbean

Statutes

Available.

Structure of governing bodies and administration

President
Permanent Executive Board
Administrative Council

Activities related to the work of UNIDO

(a) Promoting access to, dissemination and exchange of technological information, as well as information on energy and resource management;

(b) Developing a network between organizations and institutions involved in industrial development, energy and environmental matters;

(c) Promoting training programmes for entrepreneurship development and management;

(d) Identifying and promoting partnerships among development institutions;

(e) Promoting research on cleaner production methods and their applications, as well as research on agro-industry and related ecological and environmental issues;

(f) Encouraging and supporting local initiatives for optimizing the use of environmental resources and production processes.

Relations with the United Nations, other intergovernmental organizations and NGOs

United Nations Environment Programme, United Nations Development Programme, United Nations Centre for Human Settlements, United Nations Educational, Scientific and Cultural Organization, Food and Agriculture Organization of the United Nations, International Labour Organization, World Health Organization, European Union, Agency for Cultural and Technical Cooperation, Research Center for International Development, Canadian International Development Agency, African Institute for Economic Development and Planning.

Documentation confirming international character of membership

Available.

Membership

Associations and institutions located mainly in Africa, Asia and Latin America and the Caribbean.

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Industrial Development Board

Fifteenth session
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FIELD REPRESENTATION

UNIDO field representation

Report by the Director-General

Summary

Describes the current field representation programme, including statistics, and gives status on proposals made in document IDB.14/25 for a strengthened UNIDO field presence.

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Introduction

1. At the sixth session of the General Conference, the Director-General was requested to present to the fifteenth session of the Industrial Development Board for its consideration an overview of the recent developments of the field representation programme, focusing on the sustainability of the programme, the coordination between field offices and Headquarters and the integration of UNIDO field services within the United Nations Development Programme (UNDP) field offices. The present document has been prepared in response to that request.

I. CURRENT STATUS OF THE FIELD REPRESENTATION PROGRAMME

2. As of 1 February 1996, UNIDO maintained 42 field offices covering Africa, Arab States, Asia and the Pacific, Latin America and the Caribbean and Europe and the Newly Independent States of the former Soviet Union (NIS). The composition of the UNIDO field offices by region and by country is shown in table 1 below and annex I to the present document.

3. As of 1 February 1996, only 29 of the 42 offices were headed by UNIDO Country Directors (UCDs) or UNIDO National Directors (UNDs). Seven offices were run by Junior Professional Officers (JPOs)/Associate Experts or National Programme Officers (NPOs)/ Programme Officers (POs). This is because some posts were under recruitment and others had to remain vacant pending the mobilization of sufficient financial resources. Of the 29 UCD offices, 17 covered the country of their location and some neighbouring countries; these UCDs regularly undertook missions to those countries.

4. UCDs are frequently assisted by JPOs and Associate Experts, who are funded by various donor countries and selected on the basis of donor country nominations. As of 1 February 1996, there were 36 JPOs and 25 Associate Experts (with a total of 61 JPOs/ Associate Experts) assigned to a total of 42 countries (39 developing countries and three industrialized countries). Of those, 39 JPOs/Associate Experts were posted in UNIDO field offices, 14 in UNDP field offices and the remaining eight at UNIDO Headquarters in Vienna and at the International Centre for Genetic Engineering and Biotechnology at Trieste, Italy (see annex II).

II. SUSTAINABILITY OF THE FIELD REPRESENTATION PROGRAMME

5. The UNIDO field representation programme is currently financed from several sources, among which the most important are the UNIDO regular and operational budgets and UNDP sectoral support. Through its decision 91/34, the UNDP Governing Council allocated $19 million to support the UCD programme during the fifth programming cycle (1992-1996) and pursuant to the UNDP Executive Board decision 95/23, an additional amount of $3.0 million was allocated for 1997. From 1 January 1998 no further financial support can be expected from UNDP. Consequently, the ability of UNIDO to maintain the programme will depend entirely on the possibility of redeploying resources within the regular and operational budgets, securing extrabudgetary funding through voluntary or special-purpose contributions from donor governments and co-financing arrangements with host countries.

6. In 1995 UNIDO prepared proposals for a new field representation framework with a view to improving the

Table 1. Staff structure of UNIDO field offices

(as of 1 February 1996)

Region	No. of offices	Staff				
		UCD	UND	JPO/AE[a/]	NPO/PO	Other [b/]
Africa	15 [c/]	12	-	17	1	30
Arab States	4	3	-	-	1	8
Asia and the Pacific	10 [c/]	6	1	15	3	20
Europe and NIS	1	-	-	-	-	2
Latin America and the Caribbean	12	5	2	7	2	26
Total	42	26	3	39	7	86

a/ Indicates only those JPOs/AEs that are posted in the countries where a UNIDO field office is located.

b/ Includes secretaries and drivers.

c/ Indicates that one of the field offices in the region was temporarily closed.

financial sustainability of the programme (PBC.11/11 and IDB.14/25). These proposals involve redeployment of posts from Headquarters to the field, encouraging an increase in donor contributions and enhancing participation of the host countries in the financing of local costs. However, the possibility of sustainable funding through these means appears doubtful given the experience to date.

7. In view of the overall budgetary constraints faced by the Organization, only a limited number of staff members have so far been redeployed to field offices. More encouraging results have been achieved with regard to host country contributions towards local field office costs. A number of countries have already contributed in cash or in kind, providing premises free of charge as well as secretarial support and/or other facilities. Negotiations with other host countries are continuing. Although noteworthy, the total amount of governmental coverage of local costs is still far from satisfactory.

8. Under the current financial situation it is apparent that the establishment of 50 field offices - which was regarded as crucial in order to strengthen the UNIDO presence in the field (IDB.14/25 and PBC.11/11 and Board decision IDB.14/Dec.14) - will be impossible to attain in the biennium 1996-1997. UNIDO will continue to pursue vigorously negotiations for obtaining further voluntary contributions throughout the 1996-1997 biennium. However, in the event that funding beyond 1996-1997 will remain insufficient, the programme will have to be scaled down to sustainable levels within available resources. In this regard, various scenarios have been drawn up and examined (IDB.14/25). In conclusion, during the present biennium UNIDO will be able to maintain, under present circumstances, only approximately 30 fully staffed offices. In the next biennium, without UNDP resources and unless additional voluntary contributions can be mobilized, UNIDO would have to scale down the field representation programme to only approximately 20 fully staffed offices.

III. REORIENTATION OF UCD FUNCTIONS AND PROCEDURES WITHIN THE ONGOING UNIDO REFORM PROCESS

9. The terms of reference for UCDs have been subject to regular reviews with the aim of adequately reflecting the changes in the pattern of demand for UNIDO services, the mechanisms of their delivery and the interaction between field offices and Headquarters. The UNIDO offices in the field should function as effective centres for the analysis and assessment of the actual situation of a country, the identification of support requirements and the formulation of integrated UNIDO programmes at the national and subregional levels.

10. At the operational level, the decentralization of substantive functions to the field will need to be built up in accordance with the enhanced staffing and facilities of UCD offices and in response to the UNIDO reform process. The implementation of a strengthened field representation programme has to proceed in such a way that the various interconnected elements can be accounted for systematically. The modalities of how UNIDO intends to proceed towards decentralization have been fully described in previous documents (see PBC.11/11 and IDB.14/25). However, the current financial situation and, more specifically, the scarcity of financial resources committed to the programme impinge upon the implementation of a new strengthened field representation. Only with a secure and sustainable financing base will the Organization be able to undertake a major restructuring of field representation, extending the functions of UCDs and establishing new field offices. As a first realistic step, efforts are thus being concentrated on simplifying certain procedures and on improving the management and coordination of the field representation programme at Headquarters.

A. Harmonization and simplification of procedures for field offices

11. Delegation of administrative and financial authority coupled with simplification of procedures is one of the fundamental components of the ongoing process of strengthening UNIDO field representation.

12. In this context, certain steps towards decentralization have already been taken. UCDs have been given the responsibility to execute the annual office budget when its overall framework has been approved by Headquarters. Furthermore, a proposal is under review to authorize UCDs to purchase locally the required equipment (except for special equipment or items with bulk purchase advantage) if that approach proves to be cost effective and time-saving. Other proposals are also being studied, such as the possibility for UCDs to recruit national experts and to manage and administer some components of technical cooperation projects.

13. The simplification process of current administrative procedures is expected to be completed in the next few months and reported to the Board at its sixteenth session. The process of delegation of authority will be linked closely with the progress on decentralization of management functions from Headquarters to the field.

B. Management and coordination of field representation at Headquarters

14. Close interaction is necessary between field and Headquarters staff to ensure full coordination and quick responses to country-level requirements and demands. To achieve this, clear procedures are being designed in which the division of labour between the field and Headquarters is defined. To that end, the management of the programme was reorganized in terms of functions and responsibilities.

15. The field representation programme is incorporated in the newly created Country Programmes and Funds

Mobilization Division. Within the Division, the responsibilities of the management and coordination of the field programme are assigned to the Regional Bureaux, the Coordination of Funds Mobilization Section and the Field Representation Support Unit, with each of them exercising distinct functions. The Regional Bureaux have been given the substantive responsibility of the programme. They are, in fact, the natural counterparts of field offices at Headquarters, frequently also assuming *de facto* field representation functions through country missions. The Coordination of Funds Mobilization Section has been given the responsibility to mobilize resources for the programme, including those for the JPO/Associate Expert programme.

16. The Field Support Unit, established in the office of the Managing Director of the Country Programmes and Funds Mobilization Division, has been given the responsibility to secure coordinated and uniform policies and procedures as well as to provide updated information and efficient communication with the field. To function efficiently, the field offices have to be provided with up-to-date information on all relevant activities, organizational and financial matters, issues relating to the legislative bodies, upcoming world-wide events and on publications and reports issued at Headquarters. To improve communication, a major infrastructure project was initiated to connect field offices to Headquarters through e-mail, an effort that should be completed by the end of the year.

IV. CLUSTERING OF FIELD OFFICES AND SPECIFIC REQUIREMENTS OF LDCs

17. It is commonly recognized that if countries can be clustered according to their structural features such as similarity of support requirements, programme development and project design, efforts can be better focused on their specific needs so that the results will be more effective. This appears to be particularly true with regard to least developed countries (LDCs), given their frequently similar industrial structures and assistance requirements.

18. Currently, eight single country offices are located in the African and Asian LDCs. A further 28 LDCs are clustered under 13 multi-country offices in Asia, Africa and Latin America. UNIDO plans to expand the coverage of LDCs through redeployment of UCD offices to the LDCs and/or strengthening the multi-country offices that are responsible for LDCs coverage. However, owing to the substantial requirements of financial resources (IDB.14/23), it may be difficult, at this stage, to achieve this objective unless alternative resources are identified. Nevertheless, UNIDO will make every effort to ensure that the LDCs be fully covered both from the field and from Headquarters.

19. A cost-benefit approach will be put into practice in the near future to determine UNIDO coverage in the field in order to ensure that the fundamental factors justifying the existence, size and specific skill requirements of a field office are maintained. Where minimum requirements are not met, consultations will take place with the country or region concerned to examine possible alternatives for UNIDO field representation, including the presence of JPOs or Associate Experts at United Nations Coordinator or UNDP offices, national officers and contact or focal points with government and/or private institutions. Special attention will be given to maintaining continuity of presence and services to LDCs and countries with large UNIDO programmes.

V. UNIDO FIELD REPRESENTATION PROGRAMME WITHIN THE UNITED NATIONS SYSTEM

20. The present Memorandum of Understanding between UNDP and UNIDO concerning the integration of UNIDO Field Services within UNDP Field Offices was signed in April 1989. Recent developments in multilateral development financing as well as the ongoing reforms in UNIDO require a revision of the present Memorandum, which is under active negotiation with UNDP and will be finalized by mid-1996.

21. In the present UNDP-UNIDO Memorandum of Understanding, the UNDP Resident Representatives are considered UNIDO representatives in the field while UNIDO Country Directors have the function of Deputy to UNDP Representatives and are responsible for the industrial sector of the UNDP country programme under the general direction of the Resident Representatives/ Resident Coordinators.

22. In comparison, under the new agreement UCDs will represent UNIDO directly to Governments and other entities. UCDs will continue to be responsible for direct contacts with the relevant authorities of the recipient Governments on policy matters as well as on matters pertaining to the programming, execution, implementation and evaluation of UNIDO-supported industrial cooperation projects. However, unlike in the past, UCDs will now be requested to also take part in funds mobilization activities. This activity is reflected in the proposed new agreement by including among the core activities of UCDs the establishment and maintenance of contacts with UNIDO national committees as well as with potential donors such as non-governmental organizations, private sector and industry associations, bilateral donors, development finance institutions and United Nations institutions/funds.

VI. ACTION REQUIRED OF THE BOARD

23. The Board may wish to take note of the information provided in the present document in conjunction with the report of the financial situation and make appropriate recommendations for further action, particularly for mobilization of funds in support of the field representation programme.

Annex I

UNIDO FIELD OFFICES
as of 1 February 1996

COUNTRY OF ASSIGNMENT	Staff					
	UCD	UND	JPO/ AE	NPO/ PO	Secretary	Driver
AFRICA						
Cameroon	1	-	1	-	1	1
Cote d'Ivoire	1	-	1	-	1	1
Ethiopia	1	-	1	-	1	1
Ghana	1	-	2	-	1	1
Guinea	1	-	-	-	1	1
Kenya	1	-	2	-	1	1
Madagascar	1	-	1	-	1	1
Mozambique	1	-	2	-	1	1
Nigeria	1	-	2	1	1	1
Senegal	1	-	-	-	1	1
Togo [a]	-	-	-	-	-	-
Uganda	-	-	1	-	1	1
United Republic of Tanzania	1	-	2	-	2	1
Zambia	1	-	1	-	2	1
Zimbabwe	-	-	1	-	1	1
ARAB STATES						
Algeria [b]	-	-	-	1	2	-
Lebanon	1	-	-	-	1 [c]	1 [c]
Sudan	1	-	-	-	1	1
Tunisia	1	-	-	-	1	1
ASIA AND THE PACIFIC						
Bangladesh [a]	-	-	-	-	-	-
China	-	-	2	1	1 [c]	1 [c]
India	1	-	2	-	2	1
Indonesia	1	-	1	-	3	1
Nepal	-	1	-	-	1	1

COUNTRY OF ASSIGNMENT	Staff					
	UCD	UND	JPO/ AE	NPO/ PO	Secretary	Driver
Pakistan	1	-	1	-	1	1
Philippines	1	-	1	-	1	1
Sri Lanka	-	-	-	1	-	1
Thailand	1	-	5	-	1	1
Viet Nam	1	-	3	1	1	1
EUROPE AND NIS						
Turkey	-	-	-	-	1	1
LATIN AMERICA AND THE CARIBBEAN						
Argentina	1	-	-	-	1	1
Bolivia	-	-	2	-	1	1
Brazil	-	-	-	-	3	1
Chile	-	1	1	-	2	1
Colombia	1	-	-	-	1	1
Cuba	-	-	-	1	-	-
Ecuador	-	-	-	1	1	1
Honduras	1	-	1	-	1	1
Jamaica	1	-	1	-	1	1
Mexico	1	-	2	-	1	1
Peru	-	-	-	-	2	1
Venezuela	-	1	-	-	1	1
TOTAL	26	3	39	7	48	38

Note: Some vacant UCD posts are under active recruitment.

a/ Office temporarily closed.

b/ The office in Algiers has been temporarily transferred to Tunis.

c/ The secretary/driver is provided by the Government of the host country.

Annex II

UNIDO JUNIOR PROFESSIONAL OFFICERS AND ASSOCIATE EXPERTS
as of 1 February 1996

Duty station	Junior Professional Officer	Associate Expert
AFRICA		
Botswana	1	-
Cameroon *	1	-
Central African Republic	1	-
Cote d'Ivoire*	1	-
Ethiopia *	1	-
Ghana *	1	-
Kenya *	1	1
Madagascar *	1	-
Malawi	1	1
Mozambique *	1	1
Namibia	1	-
Nigeria *	1	-
Senegal *	1	-
Uganda	1	-
United Republic of Tanzania *	1	1
Zambia *	1	-
Zimbabwe	1	-
ARAB STATES		
Egypt	1	-
Morocco	1	-
ASIA AND THE PACIFIC		
China	1	1
India *	1	1
Indonesia	1	-
Micronesia, Federated States of	-	1
Pakistan *	1	-
Philippines *	1	-
Sri Lanka	-	1
Thailand *	1	4

Duty station	Junior Professional Officer	Associate Expert
Viet Nam *	2	-
EUROPE AND NIS		
Azerbaijan	1	-
Czech Republic	-	1
Kazakstan	1	-
LATIN AMERICA AND THE CARIBBEAN		
Bolivia	1	1
Brazil	-	1
Chile	-	1
Costa Rica	1	1
Guatemala	1	-
Haiti	1	-
Honduras *	1	-
Jamaica *	1	-
Mexico *	1	-
TOTAL**	36	17

* A country where a UCD is stationed.

** As of 1 February 1996, in addition to the 53 JPOs and Associate Experts posted in the field, there was 1 Associate Expert at the UNIDO Liaison Office in New York, 2 Associate Experts at the International Centre for Genetic Engineering and Biotechnology at Trieste, Italy, and 5 Associate Experts at UNIDO Headquarters in Vienna (overall, a total of 61 JPOs/Associate Experts). However, it has to be noted that, because of the nature of the programme, the number of JPOs/Associate Experts and their duty stations may vary substantially during the year.

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Industrial Development Board

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FIELD REPRESENTATION

UNIDO field representation

Report by the Director-General

Corrigendum

Page 8, annex II, footnote **

For the present text read

** As of 1 February 1996, in addition to the 53 JPOs and Associate Experts posted in the field, there were eight Associate Experts at the International Centre for Genetic Engineering and Biotechnology at Trieste, Italy, and at UNIDO Headquarters in Vienna (overall, a total of 61 JPOs/Associate Experts). However, it has to be noted that, because of the nature of the programme, the number of JPOs/Associate Experts and their duty stations may vary substantially during the year.

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UNIDO TECHNICAL COOPERATION ACTIVITIES IN 1995, INCLUDING OPERATIONAL ACTIVITIES FOR DEVELOPMENT

Operational activities for development

Note by the Director-General

Summary

Reports on measures taken and to be taken for the implementation of General Assembly resolutions 47/199 and 50/120. Provides information on the implementation of Industrial Development Board decision IDB.12/Dec.10 on UNIDO activities in support of improving the capacity of developing countries for national execution of projects.

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Abbreviations

ACC	Administrative Committee on Coordination
IPF	indicative planning figure
LDC	least developed country
TSS-2	technical support services at the project level
UCD	UNIDO Country Director
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme

* * * * *

Introduction

1. At its fiftieth session, the United Nations General Assembly adopted resolution 50/120 on the triennial policy review of operational activities for development of the United Nations system. This resolution builds upon, confirms, reinforces and expands the provisions of earlier resolutions on the same and related subjects, especially resolution 47/199.

2. The resolution touches upon important areas, particularly new specific modalities for financing of operational activities, priority allocation of grant resources, division of responsibility and greater complementarity among members of the United Nations development system within the context of United Nations reform, the country strategy note, improved regional coordination, capacity-building and better utilization of national resources through the programme approach and national execution, increased decentralization and delegation of authority, improved monitoring and evaluation, strengthening of the resident coordinator system and field-level committees, common premises and shared administrative systems and services, simplification and harmonization of rules and procedures, continuum from humanitarian assistance through rehabilitation to development, and evaluation of the impact of operational activities for development.

3. The present note is submitted in compliance with the provisions of paragraph 51 of General Assembly resolution 47/199 and paragraph 55 of General Assembly resolution 50/120 as well as in response to Industrial Development Board decision IDB.12/Dec.10 on capacity-building for national execution. It describes measures taken by UNIDO in the application and implementation of relevant stipulations contained in those resolutions and decision. In so doing, it updates the information provided to the Board at its fourteenth session in document IDB.14/22. The subjects covered herein will also be dealt with, from a wider perspective, in the annual report of UNIDO for 1995.

I. PRIORITY ALLOCATION OF GRANT RESOURCES
(General Assembly resolution 50/120, para. 11)

4. In keeping with the provisions of General Assembly resolutions 47/199 and 50/120, UNIDO assistance has been directed as a matter of priority to Africa and the LDCs. Indeed, the industrialization of Africa and LDCs through emphasizing the promotion of linkages between industry and agriculture is a special dimension of the seven thematic priorities of UNIDO for the 1996-1997 biennium.[1]

II. AGREED DIVISION OF RESPONSIBILITY AND GREATER COMPLEMENTARITY
(General Assembly resolution 50/120, paras. 13 and 16)

5. The question of an agreed division of responsibility among members of the United Nations development system and of greater complementarity in the implementation of their respective mandates has been the subject of a prolonged debate in several forums, including in particular ACC. For that purpose, several inter-agency mechanisms have been devised and applied, with varying degrees of success, such as inter-agency agreements and working arrangements, inter-agency task forces on specific subjects, subsidiary bodies of ACC, committees established as follow-up to major conferences, system-wide programmes and initiatives.

6. The most recently established mechanism is the United Nations System-wide Special Initiative on Africa, launched in March 1996 by the Secretary-General. UNIDO intends to participate actively in the Initiative and, in order to support the achievement of its goals, has developed the complementary Alliance for Africa's

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[1] Additional information on this subject is provided in documents IDB.15/6, chap. III, and IDB.15/10, chap. II.

Industrialization (IDB.15/6, para. 20). Moreover, UNIDO has been reviewing its relationship agreements and working arrangements with other organizations and institutions of the system in order to enhance their effectiveness and to establish new ones whenever so required. Thus, for instance, the memorandum of understanding with UNDP is under negotiation in the light of changing circumstances and needs and will be finalized by mid-1996. A joint communiqué covering a wide range of cooperation activities with UNCTAD was signed in April 1996.

III. COUNTRY STRATEGY NOTE (General Assembly resolution 50/120, paras. 14, 17-21)

7. The General Assembly, in its latest deliberation on the country strategy note, reinforced the notion that the note, where in place, should be the common framework for country programmes of United Nations system organizations.

8. Wherever applicable and whenever so required, UNIDO has been actively participating in and contributing to the formulation of country strategy notes. In elaborating its own country support strategies, the UNIDO Secretariat has taken into account the framework provided by United Nations country strategy notes. In this context, it is noteworthy that the new approach towards project cycle management being introduced as part of the reform process of UNIDO (IDB.15/14) may result in changes to the concept underlying country support strategies and to their specific formulation.

IV. CAPACITY-BUILDING AND BETTER UTILIZATION OF NATIONAL RESOURCES THROUGH THE PROGRAMME APPROACH AND NATIONAL EXECUTION (General Assembly resolution 50/120, paras. 22-30; Industrial Development Board decision IDB.12/Dec.10, para. (c))

9. In addition to the integrated and thematic programmes to which reference was made in document IDB.14/22 and which are under implementation, UNIDO has developed the seven thematic priorities that form the basis of its overall programme for the current biennium. In applying the contents of the seven thematic priorities, emphasis will be put on the programme approach modality and its impact on capacity-building.

10. Specifically, in the accelerated reform in the second half of 1995, UNIDO developed a limited number of high-impact integrated programmes that illustrate and substantiate the type of services that UNIDO will develop and implement in the future. Five such integrated programmes were selected, based on the following criteria:

(a) To respond to expressed priority demand of Member States;

(b) To focus on and specify support services under the seven thematic priorities;

(c) To integrate analytical work, policy advice and institutional support;

(d) To put into effect the comparative advantage of UNIDO in the United Nations system;

(e) To enable and foster cross-divisional teamwork within UNIDO;

(f) To involve the private sector both as beneficiary and as counterpart.

11. The five programmes cover:

(a) Integrated advisory services for industrial policy formulation and competitiveness strategies;

(b) Global network for the promotion of competitive and innovative small and medium industrial enterprises;

(c) The UNIDO quality programme: an application to the food-processing sector of seven sub-Saharan countries;

(d) Introduction of new technologies for abatement of global mercury pollution;

(e) A UNIDO programme for women's entrepreneurship.

More detailed information on these programmes is given in the report on the reform issued to the General Conference (GC.6/30).

12. As far as national execution is concerned, it is significant to note that the total value of UNIDO operational projects funded from UNDP IPF resources and implemented through national execution during the current year was comparable with other IPF-funded projects executed by UNIDO at the end of February 1996.

13. UNIDO participation in system-wide efforts to assess the impact of national execution is covered in earlier documents on the subject (IDB.12/9, chap. III; IDB.14/22, chap. III). As reported in the latter, the following main lessons drawn should be highlighted: (a) early involvement of technical and specialized agencies in the design and formulation stage creates a

good basis for determining the nature and extent of agency participation in programme and/or project implementation; (b) the role of National Project Directors is essential in ensuring good coordination of inputs; (c) the provision of technical support services by the agencies, such as those funded by the UNDP TSS-2 facility, greatly contributes to efficient and effective delivery; (d) the existence of adequate institutional and managerial capacity in the country is an essential element for success; and (e) clear systems of accountability and specific guidelines in the implementation of the national execution modality are urgently required.

V. DECENTRALIZATION AND DELEGATION OF FIELD-LEVEL AUTHORITY
(General Assembly resolution 50/120, para. 31)

14. As part of the reform process and the recognized need to strengthen the UNIDO field presence and its efficiency and effectiveness, several measures have been taken or are being considered to delegate greater authority to UCDs, as reported separately in document IDB.15/12.

VI. IMPROVED MONITORING AND EVALUATION
(General Assembly resolution 50/120, paras. 32-35)

15. Under the reform process of UNIDO, considerable improvements have been achieved through the rationalization of internal procedures, including those related to auditing and accounting, and the introduction of modern management methods with decentralization of authority and increased accountability.

16. As part of the recent changes in the organizational structure, the Quality Assurance and Evaluation Branch has been moved to General Management, under Policy Coordination. This ensures both full independence from programme development and implementation considerations and a closer linkage with monitoring functions.

VII. ACTION REQUIRED OF THE BOARD

17. The Board may wish to take note of the present document and make appropriate recommendations.